

**UNITED STATES DEPARTMENT OF ENERGY
SOUTHWESTERN POWER ADMINISTRATION**

**RATE SCHEDULE EE-02 ¹
WHOLESALE RATE FOR EXCESS ENERGY**

Effective:

During the period October 1, 2002, through September 30, 2006, in accordance with Rate Order No. SWPA-48 issued by the Secretary of Energy on September 18, 2002.

Available:

In the marketing area of Southwestern Power Administration (Southwestern), described generally as the States of Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas.

Applicable:

To electric utilities which, by contract, may purchase Excess Energy from Southwestern.

Character and Conditions of Service:

Three-phase, alternating current, delivered at approximately 60 Hertz, at the nominal voltage and points of delivery specified by contract.

Energy Associated with this Rate Schedule:

Excess Energy will be furnished at such times and in such amounts as Southwestern determines to be available.

Definition of Terms:

"Ancillary Services" are those services necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the System of Southwestern in accordance with good utility practice. Ancillary Services include:

"Scheduling, System Control, and Dispatch Service" is provided by Southwestern as Control Area operator and is in regard to interchange and load-match scheduling and related system control and dispatch functions.

"Reactive Supply and Voltage Control from Generation Sources Service" is provided at transmission facilities in the System of Southwestern to produce or absorb reactive power and to maintain transmission voltages within specific limits.

¹Supersedes Rate Schedule EE-98

"Regulation and Frequency Response Service" is the continuous balancing of generation and interchange resources accomplished by raising or lowering the output of on-line generation as necessary to follow the moment-by-moment changes in load and to maintain frequency within a Control Area.

"Spinning Operating Reserve Service" maintains generating units on-line, but loaded at less than maximum output, which may be used to service load immediately when disturbance conditions are experienced due to a sudden loss of generation or load.

"Supplemental Operating Reserve Service" provides an additional amount of operating reserve sufficient to reduce Area Control Error to zero within 10 minutes following loss of generating capacity which would result from the most severe single contingency.

"Energy Imbalance Service" corrects for differences over a period of time between schedules and actual hourly deliveries of energy to a load. Energy delivered or received within the authorized bandwidth for this service is accounted for as an inadvertent flow and is returned to the providing party by the receiving party in accordance with standard utility practice.

Rates for Excess Energy:

ENERGY CHARGE: \$0.0073 per kilowatthour delivered

CHARGES FOR ANCILLARY SERVICE ASSOCIATED WITH DELIVERIES TO LOAD CENTERS WITHIN SOUTHWESTERN'S CONTROL AREA:

(a) Regulation & Frequency Response:	\$0.00017 per kilowatthour delivered
(b) Operational Reserves, Spinning	\$0.00002 per kilowatthour delivered
(c) Operational Reserves, Supplementary	\$0.00002 per kilowatthour delivered
(d) Energy Imbalance Service	no charge per kilowatthour

Services Associated with Energy Charge for Excess Energy

The Excess Energy charge includes such transmission services as are necessary to deliver such energy and the Ancillary Services for Scheduling, System Control, and Dispatch Service and for Reactive Supply and Voltage Control from Generation Sources Service.

Availability of Ancillary Services:

Ancillary Services (a) through (d) listed above are available only for deliveries of power and energy to load centers within Southwestern's Control Area. All deliveries from the System of Southwestern to such load centers must have all four Ancillary Services available for such deliveries, provided either by Southwestern or from other resources.